

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: W.R. GRACE & CO., et al., Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (KJC)
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**FEE AUDITOR'S FINAL REPORT REGARDING THE FINAL VERIFIED
APPLICATION OF THE LAW OFFICES OF JANET S. BAER, P.C.,
FOR COMPENSATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD FROM FEBRUARY 4, 2009 THROUGH DECEMBER 31, 2010**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Final Verified Application of the Law Offices of Janet S. Baer, P.C., for Compensation for Services and Reimbursement of Expenses for the Period from February 4, 2009 through December 31, 2010 (the "Application").

BACKGROUND

1. The Law Offices of Janet S. Baer, P.C. ("Baer"), was retained as co-counsel to the Debtors and Debtors-in-Possession. In the Application, Baer seeks final approval of fees totaling \$3,086,223.00¹ and expenses totaling \$71,297.25² for its services from February 4, 2009 through

¹We note that the total of the fees requested in Baer's eight prior fee applications is \$3,088,932.50. It appears that Baer has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 4, to arrive at the figure it seeks of \$3,086,223.00. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

²We note that the total of the expenses requested in Baer's eight prior fee applications is \$70,392.25. It appears that Baer has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 4, to arrive at the figure it seeks of \$71,297.25. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

December 31, 2010 (the "Final Application Period").

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2014, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, Issued January 30, 1996 (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We emailed an inquiry to Baer based upon our review, and we received a response from Baer, portions of which response are reflected herein.

DISCUSSION

Final Application Period

3. We noted that on p. 2 of the Application, Baer listed its approved expenses for the Thirty-Sixth Interim Period as \$8,924.81. However, as noted in the following paragraph, the correct amount of approved expenses for that period was \$8,011.57, for a difference of \$913.24. We asked Baer about this discrepancy, and Baer advised that it agreed with our amounts. Thus, we recommend that Baer's final expense request be reduced by \$913.24.

Prior Interim Applications

4. We note that we previously filed the following final reports for Baer's prior interim applications, which final reports we incorporate by reference herein, and we also note the following

orders that ruled on Baer's prior interim fee applications:

32nd Period: Fee Auditor's Final Report Regarding Fee Application of the Law Offices of Janet S. Baer, P.C., for the Thirty-Second Interim Period (Docket #22924), filed on or about August 21, 2009, in which we recommended approval of fees totaling \$189,125.00 and expenses totaling \$3,866.87. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Second Period, dated September 28, 2009 (Docket #23352).

33rd Period: Fee Auditor's Final Report Regarding Fee Application of the Law Offices of Janet S. Baer, P.C., for the Thirty-Third Interim Period (Docket #23774), filed on or about November 16, 2009, in which we recommended approval of fees totaling \$383,187.50 and expenses totaling \$18,946.28, reflecting our recommended reduction of \$625.00 in fees, as further explained in paragraph 3 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Third Period, dated December 11, 2009 (Docket #23996).

34th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Thirty-Fourth Interim Period (Docket #24438), filed on or about March 11, 2010, in which we recommended approval of fees totaling \$474,822.50 and expenses totaling \$14,490.29. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Fourth Period, dated

March 19, 2010 (Docket #24470).

35th Period: Fee Auditor's Final Report Regarding Quarterly Interim Fee Application of the Law Offices of Janet S. Baer, P.C., for the Interim Period From October 1, 2009 through December 31, 2009 (Docket #24733), filed on or about May 4, 2010, in which we recommended approval of fees totaling \$459,170.00 and expenses totaling \$8,924.81, reflecting our recommended reduction of \$662.50 in fees, as further explained in paragraphs 3 and 4 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Fifth Period, dated June 7, 2010 (Docket #24917).

36th Period: Fee Auditor's Final Report Regarding Fifth Quarterly Interim Verified Application of the Law Offices of Janet S. Baer, P. C., for the Interim Period from January 1, 2010 through March 31, 2010 (Docket #25283), filed on or about August 30, 2010, in which we recommended approval of fees totaling \$472,705.50 and expenses totaling \$8,011.57, reflecting our recommended reductions of \$1,872.00 in fees and \$8.24 in expenses, as further explained in paragraphs 3 and 4 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Sixth Period, dated September 13, 2010 (Docket #25397).

37th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirty-Seventh Interim Period (Docket #25850), filed on or about December 2, 2010, in which we recommended

approval of fees totaling \$365,742.50 and expenses totaling \$4,818.00.

These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Seventh Period, dated December 10, 2010 (Docket #25905).

38th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirty-Eighth Interim Period (Docket #26519), filed on or about March 9, 2011, in which we recommended approval of fees totaling \$368,962.50 and expenses totaling \$3,371.55. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Eighth Period, dated March 25, 2011 (Docket #26627).

39th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirty-Ninth Interim Period (Docket #27116), filed on or about June 21, 2011, in which we recommended approval of fees totaling \$372,507.50 and expenses totaling \$7,954.64. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Ninth Period, dated June 30, 2011 (Docket #27188).

5. We have reviewed the final reports and orders allowing fees and expenses for the prior interim periods, and we do not believe there is any reason to change any of the amounts awarded for the prior interim periods, with the exception of the Thirty-Fifth Interim Period. The fees for that period should have been \$458,720.00, but due to an error in the final report and order

submitted to the Court, fees of \$459,170.00 were approved. Baer's final fee request reflects the erroneous amount. Thus, we recommend Baer's final fee request be reduced by \$450.00 in order to correct the error.

CONCLUSION

6. Thus, we recommend final approval of \$3,085,773.00 in fees (\$3,086,223.00³ minus \$450.00)⁴ and \$70,384.01 in expenses (\$71,297.25⁵ minus \$913.24)⁶ for Baer's services for the Final Application Period.

³We note that the total of the fees requested in Baer's eight prior fee applications is \$3,088,932.50. It appears that Baer has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 4, to arrive at the figure it seeks of \$3,086,223.00. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

⁴See paragraph 5.

⁵We note that the total of the expenses requested in Baer's eight prior fee applications is \$70,392.25. It appears that Baer has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 4, to arrive at the figure it seeks of \$71,297.25. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

⁶See paragraph 3.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.



By: _____

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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 17th day of July, 2014.



Warren H. Smith

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